



STATEMENT OF THE GROUP OF 77 AND CHINA DURING THE FIRST WORKING GROUP ON THE REGULAR BUDGET AND TCF TARGETS FOR 2016-2017 ON 4 FEBRUARY 2015, DELIVERED BY H.E. MS LOURDES O. YPARRAGUIRRE, AMBASSADOR OF THE PHILIPPINES

Co-Chairs,

1. The Group of 77 and China wishes to thank the Co-Chairs for convening this meeting and congratulates the Co-Chairs on the assumption of their duties as chairpersons of this working group. We have full confidence in your wisdom and capability in guiding our work and look forward to engaging in a constructive manner in our deliberations in the coming months on the Regular Budget and the Technical Cooperation Fund Targets for 2016-2017.
2. The Group expresses its appreciation to the Secretariat for making Part 1 of the Agency's draft Programme and Budget 2016-2017 available well in advance of the Programme and budget Committee and wishes to thank the Secretariat for the way in which the information on the budget was presented, highlighting the main elements of the Draft Programme and Budget for the next biennium.
3. The Group believes that the discussions in this Working Group should be guided by the previous decisions of the Board on the funding of the Technical Cooperation Fund, among others the budget packages approved in 2003 (GOV/2003/48), 2010-2011 (GOV/2009/52/Rev.1), 2010 (GOV/2010/37) and in 2011 (GOV/2011/38) which established that: "With respect to the targets for voluntary contributions to the Technical Cooperation Fund, the 2005 decision to synchronize the Technical Cooperation programme cycle with the regular programme and budget cycle provides a framework to consider increases to the resources for the TC programme, including the TCF target, beginning in 2012. Such adjustments would take into account the changes in the level of the regular operational budget from 2009 onwards, the price adjustment in the corresponding years, and all other relevant factors". The discussions in the Working Group will also be guided by the recommendations of the Working Group on Financing the Agency's Activities (WGFAA), including examining the ways and means to render resources for the Technical Cooperation Fund sufficient, assured and predictable.
4. The G-77 and China firmly believes that, in accordance with the indicated decisions of the Board, and the recommendations of the WGFAA, the Technical Cooperation Fund targets to be established for 2016 and beyond must be proportionate to the evolution of the regular budget and should not be less than US\$92 million for 2016 and no less than US\$92.5 million for 2017 (or the EURO equivalent, as proposed by the WGFAA) as decided by the Board in 2013 (GOV/2013/30/Rev.1).
5. The Group believes that this Working Group will serve as a forum for discussing solutions for a more equitable distribution of resources between promotional and non-promotional activities of the Agency.
6. Turning to the Agency's Draft Programme and Budget for 2016-2017, the Group takes note of the Director General's priorities for the biennium, which support the continuing priorities for the 2014-2015 biennium. With regard to the priorities identified for the Major Programmes for the coming biennium, the Group would like to offer the following initial comments.
7. The Group reiterates its call for a balanced distribution of the budget so as to reflect the equal importance of the three pillars of the Agency, namely the promotion of peaceful uses of nuclear technology including technical cooperation, safety and safeguards.
8. The Group underscores that the promotional activities of the Agency, delivered through Technical

Cooperation, are the main statutory function of the Agency.

9. The Group takes note of the allocation of 24.5 million Euro to MP6 for the Management of the Technical Cooperation Fund, which amounts to a 2.9% increase from 2015. The Group also notes that in 2016, 126 Member States will have TC programmes, as compared to 120 in the previous cycle. The Group believes that more effort should be made to provide sufficient resources, including staff, for the management of the Technical Cooperation Programme if the priority areas for MP6 are to be achieved, such as ensuring adequate support to a growing number of Member States and ensuring the capability to respond to Member States' requests for support through the Technical Cooperation Programme.

10. The Group reiterates its considered view that the Agency's Technical Cooperation Programme and promotional activities are in a greater need of sufficient, assured and predictable (SAP) resources.

11. The Group takes note of the prioritisation of PACT within MP6 and reiterates that this should not deminish other relevant focus areas such as Food and Agriculture, Health and Nutrition, Industrial Applications/Radiation Technology and Water and Environment.

12. The Group takes note of the calculation in paragraph 72 of the Draft Programme and Budget, which attempts to quantify the estimated Regular Budget support to the Technical Cooperation Programme, and might give a distorted picture of the funding for TC. And in this context the Group is interested in how the Secretariat made these calculations. The Group requests the Secretariat, as was recommended in the WGFAA Report, paragraph 17, to provide information on the nature and extent of the relationships among and between all Agency Programmes so as to avoid a misrepresentation of the levels of funding.

13. The Group supports the completion of the ReNuAL project as a key priority for MP2. The Group welcomes the proposal to increase support for the application of the Sterile Insect Technique (SIT) to mosquito control, in line with the 2014 GC Resolution on the development of the SIT for the control or eradication of malaria-, dengue- and other disease-transmitting mosquitoes. The Group further welcomes the increased outreach to promote the contribution of nuclear sciences and applications to socio-economic development and takes note of the other priorities for MP 2.

14. Whilst the Group notes the allocation of 2.5 million EURO from the Capital Regular Budget for 2016 and 2017 to the ReNuAL project, the Group notes with concern the prioritisation of funding within 2016 Capital Regular Budget. As the key statutory function of the Agency is to seek to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world, the Group strongly believes that the ReNuAL project should receive a larger portion of the Capital Regular Budget for 2016 and 2017.

15. Under MP1, the Group welcomes the Agency's intention to further expand services to newcomer countries and requests further information of the planned modalities of these expanded services. The Group notes the establishment of a new division of Planning, Information and Knowledge Management and requests more information on its foreseen role. The Group is concerned by the proposed reduction in budget allocation for 2016 to Capacity Building and Knowledge Maintenance for Sustainable Energy by 2.0% and would also like to be provided with further information in this regard.

16. The Group takes note of the proposal to establish a new office of Safety and Security Coordination under MP3 and that the establishment of this office will be cost neutral. The Group would appreciate receiving more information from the Secretariat in this regard. The Group further takes note of the priority areas identified for the coming biennium and welcomes the enhancement of public communication in incidents and emergencies, as well as the continued support to be provided to newcomer countries.

17. The Group expresses its strong expectation that this Working Group will allow for a meaningful dialogue with substantive outcomes for Board action that will facilitate the budget and Technical

Cooperation Fund discussion for 2016-2017.

Thank you, Co-chairs.